

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

IN RE:) Chapter 11
CIRCUIT CITY STORES, INC., et al.,) Case No. 08-35653-KRH
Debtors.) Jointly Administered

RESPONSE OF THE CITY OF VIRGINIA BEACH TO LIQUIDATING TRUST'S
EIGHTEENTH OMNIBUS OBJECTION TO CLAIMS FILED BY TAXING AUTHORITIES
(REDUCTION OF CERTAIN PARTIALLY INVALID CLAIMS; DISALLOWANCE OF
CERTAIN INVALID CLAIMS; DISALLOWANCE OF CERTAIN DUPLICATE CLAIMS;
RECLASSIFICATION OF CERTAIN CLAIMS; DISALLOWANCE OF CERTAIN
AMENDED OR SUPERSEDED CLAIMS; DISALLOWANCE OF CERTAIN LATE FILED
CLAIMS; DISALLOWANCE OR REDUCTION OF CERTAIN INVALID CLAIMS; AND
FIXING THE AMOUNT OF CERTAIN CLAIMS)

The the City of Virginia Beach, a municipal corporation of the Commonwealth of Virginia ("Virginia Beach"), by and through counsel, hereby responds to the Liquidating Trust's Eighteenth Objection to Claims Filed By Taxing Authorities as follows:


1. Virginia Beach filed a proof of claim numbered seeking administrative payment of \$19,923.49 for post-petition personal property taxes due and owing from the Debtor (the "Claim"). The Claim is based on personal property owned by the Debtor at its location at 110 South Independence Boulevard in the City of Virginia Beach (the "Store").
2. Municipalities are authorized by §58.1-3500 of the Code of Virginia, to impose a tax on businesses operating within that municipality. The amount of the tax is based on the assessed value of personal property owned by that business as of January 1st of the taxing year. Va. Code Ann. §58.1-3515.
3. Prior to assessing the tax subject to the Claim, Virginia Beach required the Debtor to complete a document entitled "2009 Tangible Personal Property, Machinery & Tools Return Instructions and Schedule" (the "Return"). A copy of the return, as completed by the Debtor is attached as Exhibit A.
4. As set forth on page three of the schedule attached to the Return, the Debtor had property with a cost of \$1,346,182.38 at the Store on January 1, 2009. Virginia Beach assesses personal property based on original cost and applies a depreciation factor of forty-percent prior to imposition of the tax.

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5. In Virginia Beach, personal property tax rate is \$3.70 per one hundred dollars of assessed value, depreciated by forty percent (40%). As such, based on the Debtor's records, the Debtor owes Virginia Beach \$19,923.49 in personal property taxes [\$1,346,182.38 depreciated by 40%= \$538,472.95. \$3.70 per \$100 of that amount is \$19,923.49].
6. The Liquidating Trust objected to the Claim on the grounds that the Claim was for "estimated Business License fees unsupported by the Debtor's books and records". However, as stated above, the Claim is for personal property taxes and was calculated from documentation provided by the Debtor.
7. The original deadline for filing a response to the Liquidating Trust's objection to the Claim was April 7, 2011, however, counsel for the Liquidating Trust and the City have agreed to extend that deadline until July 2, 2011.

WHEREFORE, the City of Virginia Beach requests the Court overrule the Liquidating Trust's objection to the Virginia Beach's claim and for such and other relief as deemed appropriate by the Court.

CITY OF VIRGINIA BEACH

By:  /s/ Alexander W. Stiles
Associate City Attorney

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CERTIFICATE OF SERVICE

I do hereby certify that a true copy of the foregoing RESPONSE OF THE CITY OF VIRGINIA BEACH TO LIQUIDATING TRUST'S EIGHTEENTH OMNIBUS OBJECTION TO CLAIMS FILED BY TAXING AUTHORITIES (REDUCTION OF CERTAIN PARTIALLY INVALID CLAIMS; DISALLOWANCE OF CERTAIN INVALID CLAIMS; DISALLOWANCE OF CERTAIN DUPLICATE CLAIMS; RECLASSIFICATION OF CERTAIN CLAIMS; DISALLOWANCE OF CERTAIN AMENDED OR SUPERSEDED CLAIMS; DISALLOWANCE OF CERTAIN LATE FILED CLAIMS; DISALLOWANCE OR REDUCTION OF CERTAIN INVALID CLAIMS; AND FIXING THE AMOUNT OF CERTAIN CLAIMS was electronically filed with the Clerk of the Court using the CM/ECF system and sent via U.S. Mail, first class, postage prepaid to the parties listed below:

Jeffrey N. Pomerantz, Esq.
Andrew W. Caine, Esq.
(admitted *pro hac vice*)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Boulevard
Los Angeles, California 90067-4100

-and-

Robert J. Feinstein, Esq.
(admitted *pro hac vice*)
PACHULSKI STANG ZIEHL & JONES LLP
780 Third Avenue, 36th Floor
New York, New York 10017

Counsel to the Circuit City Stores, Inc. Liquidating Trust

Lynn L. Tavenner, Esq. (VA Bar No. 30083)
Paula S. Beran, Esq. (VA Bar No. 34679)
TAVENNER & BERAN, PLC
20 North Eighth Street, 2nd Floor
Richmond, Virginia 23219
Counsel to the Circuit City Stores, Inc. Liquidating Trust

/s/  Alexander W. Stiles

Alexander W. Stiles

EXHIBIT A

Return Instructions and Schedule



Philip J. Kellam, Commissioner of the Revenue
City Hall, 2401 Courthouse Drive, Virginia Beach, VA 23456-9002
Tel: 757.385.4515/Fax: 757.385.4183/Email: business@VBgov.com

NOTICE: Every taxpayer owning such property on January 1, 2009 must report the same on this return and file by **March 1, 2009**. No taxes are due at that time.*

REQUIRED INFORMATION

CIRCUIT CITY STORES INC
T/A CIRCUIT CITY SUPERSTORE #817
P O BOX 42304
RICHMOND VA 23242

110 S INDEPENDENCE BLVD
VIRGINIA BEACH VA 23462
804-527 4000
08/79

To assist you in reporting the necessary information please read and respond to the following instructions carefully.

Did you own or operate a business on January 1, 2009? ☐ Yes ☐ No-If no, list date closed _____

The reverse side of this return contains a schedule to list ALL of the tangible personal property of your business in accordance with the Code of Virginia, Title 58.1-3500 through 3664. You may create and attach a separate document containing the information requested in the schedule on the reverse side of this return (Please follow the same format).

If you listed property on a prior Form CR-13 that will be omitted from this list of property owned on January 1, 2009, please attach an explanation for the omission of the property.

If the Commissioner of the Revenue currently classifies your business as a Manufacturer, Miner, Radio Broadcaster, or Television Broadcaster, report only the machinery and tools of the business.

Manufacturers that have Machinery and Tools you wish to declare as idle machinery, please contact our office for additional information.

Please declare a complete and current listing of all property as of January 1, 2009. Reporting "none" or "same as last year" cannot be accepted.**

Please do not include computer software, carpet or leasehold improvements.

Please Include the following types of tangible property on this return:

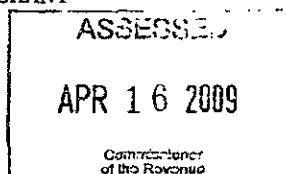
- All office equipment, furniture, fixtures, furnishings, operating equipment, computers, peripherals, hand tools, power tools, books, machinery, and other such tangible property owned, leased, or made available
- All tangible property given as a gift (To the best of your ability, confirm the fair market value upon receipt of the property)
- All non-licensed vehicles and trailers (Include yard vehicles, tractors, storage trailers, office trailers, etc.)
- All items fully depreciated, but still in use

BUSINESS HISTORY

ACCOUNT NUMBER, INDUSTRIAL CLASS, & BUSINESS TYPE(S):
096008543 5200-RETAIL MERCHANT

PRIOR ANNUAL ASSESSMENTS:

2008 1,524,677
2007 1,646,366



1346,183
2008

* This information is required under Chapter 18, Section 35-4 of the Code of Virginia Beach and Title 58.1-3900 et seq. of the Code of Virginia

** This information is required under Title 58.1-3518 et seq. of the Code of Virginia

DATE ACQUIRED	DESCRIPTION OF ASSET	NUMBER OF UNITS	TOTAL ORIGINAL COST

See attached

PLEASE LIST OWNER(S) OF ANY TANGIBLE PERSONAL PROPERTY LEASED BY YOUR BUSINESS AND LOCATED IN VIRGINIA BEACH:

DATE ACQUIRED	NAME / ADDRESS / PHONE OF LEASING AGENT	NUMBER OF UNITS	TOTAL COST
	IBM-		
	P.O. Box 12195		
	Research Triangle Park, NC		
	27709		
	<i>See attached</i>		

If this return is prepared by any person other than the taxpayer, that person MUST also provide the following:

(Preparer's Signature)

(Preparer's Name and Business Name-Printed)

(Business Address and Website)

(Tel / Fax / E-mail)

NOTE: It is a Class 1 misdemeanor for any person to willfully subscribe to a return which he does not believe to be true and correct as to every material matter (Code of Virginia - Section 58.1-11).

DECLARATION BY TAXPAYER: I declare that the foregoing statements and figures are true, full and correct to the best of my knowledge and belief.

THANK YOU FOR YOUR COOPERATION.
If you have any questions or need assistance, please contact the Business Revenue Division by telephone at 757.385.4515 or by email at business@vbgov.com

Sarah Harris 2/26/09
(Taxpayer's Signature) (Date)
Sarah Harris
(Taxpayer's Name - Printed)

02/26/2009
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Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Virginia Beach City Assessor - Virginia Beach Ss (S/L)

Assessment Date: 01/01/2009

Assessed - Inventory

Materials & Supplies	State Class	Year	Reported Cost	Current Value	Rendered Value	Assessor's Use
			369.56	369.56	370.00	
			369.56	369.56	370.00	
Total			369.56	369.56	370.00	

Virginia Beach Ss (S/L)

Property Location: 110 S. Independence Boulevard
Virginia Beach, VA 23462

Taxpayer's Address:

Circuit City Stores, Inc.
Attention: Tax Department
P.O. Box 42304
Richmond, VA 23242

PTMS 4.0

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Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Virginia Beach City Assessor - Virginia Beach Ss (S/L)

Assessment Date: 01/01/2009

Assessed - Personal Property

State Class	Year	Reported Cost	Current Value	Rendered Value	Assessor's Use
Generic-Computers <=\$25,000	2008	677.93	271.17	271.00	
	2007	61,039.34	24,415.74	24,415.00	
	2006	8,489.71	3,395.89	3,395.00	
	2005	11,595.46	4,638.19	4,638.00	
	2001	479.58	191.83	192.00	
	1996	479.42	191.77	192.00	
	1995	2,814.08	1,125.63	1,125.00	
	1994	4,716.66	1,886.66	1,887.00	
		90,292.18	36,116.88	36,115.00	

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Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Virginia Beach City Assessor - Virginia Beach Ss (S/L)

Assessment Date: 01/01/2009

Assessed - Personal Property

State Class	Year	Reported Cost	Current Value	Rendered Value	Assessor's Use
Generic-Furniture & Fixtures	2008	937.72	375.09	376.00	
	2007	6,951.21	2,780.49	2,780.00	
	2006	10,142.98	4,057.20	4,057.00	
	2005	2,561.33	1,024.53	1,025.00	
	2003	55,856.97	22,342.78	22,343.00	
	2002	1,071,420.02	428,568.03	428,571.00	
	2001	5,117.27	2,046.91	2,046.00	
	1999	13,234.18	5,293.67	5,293.00	
	1995	1,056.37	422.55	423.00	
	1991	1,293.97	517.59	518.00	
	1990	1,337.92	535.17	535.00	
	1989	1,831.37	732.55	733.00	
	1988	2,262.65	905.06	905.00	
	1987	21,879.38	8,751.75	8,752.00	
	1986	123,458.08	49,383.24	49,384.00	
	1985	3,018.96	1,207.58	1,207.00	
	1984	23,825.00	9,528.80	9,529.00	
		1,346,182.38	538,472.99	538,477.00	

Virginia Beach Ss (S/L)
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Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Virginia Beach City Assessor - Virginia Beach Ss (S/L)

Assessment Date: 01/01/2009

Assessed - Personal Property

State Class	Year	Reported Cost	Current Value	Rendered Value	Assessor's Use
Generic-Machinery & Equipment	2007	21,095.63	8,438.25	8,438.00	
	2006	25,409.34	10,163.73	10,163.00	
	2003	451.84	180.73	181.00	
	2002	16,778.70	6,711.48	6,712.00	
	2001	12,441.49	4,976.59	4,976.00	
	2000	2,365.58	946.23	946.00	
	1999	27,263.78	10,905.51	10,907.00	
	1996	19,154.85	7,661.94	7,662.00	
	1995	1,966.86	786.74	786.00	
	1994	3,308.54	1,323.42	1,323.00	
	1992	9,748.03	3,899.21	3,900.00	
Total	1991	30,538.54	12,215.42	12,217.00	
		170,523.18	68,209.25	68,211.00	
		1,606,997.74	642,799.12	642,803.00	

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